

American Society for Industrial Security

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I. State of Intelligence

- Casey's efforts to improve support to policymakers.
- Support from Congress, President.
- Enhanced public understanding, appreciation of role of intelligence.

II. Terrorism

- International terrorism becoming a way of life.
- Since began tracking in 1968, 7,425 terrorist attacks; 8,088 victims held hostage; 12,139 killed or injured.
- (Deaths dropped from 642 in 1980 to 173 in 1981, but--)
- Long-term trend is toward more serious threats to human life.
- 1970, incidents were evenly divided between attacks against people, against property.
- 1981, 80 percent of incidents were directed against people.
- Of primary concern to all of us, American citizens, property are prime targets.
- While many American victims were killed in previous years because of indiscriminate attacks, in 1980, 81, all Americans killed were killed because they were Americans.
- Patterns:
  - Variety of methods.
  - Kidnappings, hostage taking, assassinations, bombings, threats, hoaxes.
  - 70 assassinations in 1981, second only to 111 in 1980.

- Greater geographic spread.
  - 1970 terrorist incidents took place in 48 countries.
  - 1981 - 91 countries.
  - Most focused in Western Europe, Latin America, Middle East, North America.
  - More incidents in the United States than any other country.
- Americans primary targets.
  - 1968-81, 189 Americans have been killed in international terrorist attacks.
  - Primarily Government personnel; 81 12 percent were U.S. businessmen, primarily in Latin America.
  - Number of Americans singled out for assassination has increased steadily since 1970s.
  - Alarming that all Americans killed in 1981 were specifically targeted for assassination.
  - During 1981:
    - 258 incidents against American citizens or property.
    - 9 kidnappings
    - 14 assassination attacks
    - 91 bombings of U.S. property
    - 29 threats, 51 hoaxes
  - 72 terrorist groups took credit for attacks against Americans.

### III. Narcotics

- Staggering \$80 billion generated by illegal narcotics traffic in 1980; 22 percent increase over 1979.
- 1980:
  - 4 metric tons heroin worth \$8 billion smuggled into U.S.
  - 40-48 metric tons of cocaine worth \$26-32 billion.
  - About 15,000 metric tons of marijuana worth about \$26 billion.

#### Major Sources

- Colombia supplies 75 percent of marijuana in this country; comes by sea.
- Cocaine originates from Bolivia, Peru, Colombia.
  - This year Bolivia and Peru alone have capacity to produce 153 metric tons of cocaine.
- SW Asia major source of heroin.
  - Opium from Pakistan, Afghanistan converted in labs in Turkey, Europe, then shipped to U.S.
  - Golden Triangle -- transit routes: Bangkok via Canada to Mexico to U.S.

#### Outlook Through 1984

- Availability of Southwest Asian heroin in U.S. will increase.
- Ample illicit stocks of coca in Bolivia, Peru to produce cocaine for U.S., European markets for foreseeable future.
- Domestic supplies of marijuana increasing; Jamaica is a growing source.

#### Counterefforts

- Eradication program in Mexico some results.
- Some eradication efforts in Golden Triangle.
- Domestically, Florida task force effort.
- As long as so profitable, doubtful will make much headway.

#### IV. Technology Transfer

- U.S., allies, traditionally have relied on technological superiority of weapons to preserve credible counterforce to quantitative superiority of Warsaw Pact.
- Superiority is eroding as Soviets, allies, produce more sophisticated weaponry with direct help of Western technology.
- Soviets have saved billions of dollars and years of time by acquiring militarily significant Western technology through both legal and illegal means.
- Methods include:
  - Using S&T agreements with West to facilitate access to new technologies emerging from Free World's scientific research efforts.
  - Illegal purchases of controlled equipment.
  - Task intelligence services to illegally acquire Western technologies that are classified, export controlled.
  - We even make their jobs easier by declassifying documents through FOIA, overt publications like Aviation Week, available Congressional hearings and patents.
- This is a massive, well planned, well managed national Soviet program orchestrated at the highest government and party levels.
  - KGB, GRU have been so successful, now have several thousand technology collection officers at work throughout the world.
    - Covers include diplomats, journalists, trade officials.
  - Soviet ~~Ministry~~ <sup>Ministry</sup> of Foreign Trade works closely with intelligence services in fostering clandestine and illegal acquisitions.
  - Official Soviet and East European S&T organizations also play a major role.
- As a result of this massive effort, Soviets have succeeded in acquiring:
  - C-5-A design plans.
  - Sidewinder.

- AWACS radar.
- Minuteman guidance, SS-18 bearings and gyros.
- SLBM, MIRV designs and guidance systems for ICBMs.
- Sonar and related ASW technology.
- Tank related fire-control technology.
- U.S. computer technology.
- Soviet intelligence services have concentrated efforts in U.S., Western Europe, Japan.
- Have targeted:
  - Defense contractors.
  - High technology firms working on advanced technology.
  - Foreign firms and subsidiaries of U.S. firms abroad,
  - International organizations with access to advanced and proprietary technology.
- As we look ahead, expect Soviets, allies to concentrate for the rest of the decade on following types of Western technology.
  - Weapons designs and related defense production technology, particularly U.S. technology, with some increased emphasis on the technology of our allies.
  - Embargoed equipment, goods, products, material, and associated technology, especially dual-use items obtained through the clandestine efforts of the Soviet and East European intelligence services.
  - Company proprietary technology needed to manufacture advanced commercial components and systems, using clandestine and illegal means to acquire these for future military and defense industrial applications.
  - Government-generated S&T information and unclassified but defense-applicable technology produced primarily by the U.S., acquired by overt Soviet and East European collectors and through multi-national open-source document procurement.
  - Emerging technology from Western government research centers and universities, using visiting Soviet and East European scholars and researchers and commercial delegations targeted and supported by Soviet Bloc intelligence.

-- What can we do about this?

- FBI has excellent program to help defense contractors protect themselves from this hostile threat.
- Called DECA -- Development of Counterintelligence Awareness -- designed to alert company management and security personnel of possible threats to their company.
- Urge each of you to contact local FBI office for this briefing.
- We, in intelligence community, have alerted our foreign allies:
  - they are developing CI efforts to deal with this threat.
  - to protect your subsidiaries, urge you to have them contact local security services or U.S. Embassy if being threatened.
- All need to improve protection of U.S. Government S&T information and defense-funded R&D data.
  - We in Government need to protect it better, not make it openly available to Warsaw Pact.
  - You can help by treating government funded R&D and technology that your companies produce just as you would treat your own proprietary technology.
- Expect our efforts to counter will become more difficult as trends of 70's continue into 80's.
  - Soviets, allies increasing their use of national intelligence services to acquire Western civilian technologies, including:
    - automobile
    - energy
    - chemicals
    - consumer electronics.
  - Growing emphasis on collection of manufacturing related technology.
  - Increasing emphasis on acquisition of new Western technologies emerging from universities and research centers.

- Combined effect of these trends results in heavy focus of Soviet Bloc intelligence not only on military sector, but also on commercial sectors in West, which
  - Are not normally protected from hostile intelligence services.
  - Whose industrial security is no match for human penetration operations of hostile services.
  - Most alarming, these efforts enable Soviets to gain access to those advanced technologies that the West is likely to use in their own future weapons systems.

V. Conclusion

- We in West need to organize better to protect
  - not only military-related technology centers
  - but also our industrial, commercial and scientific communities.
- Also have to develop better industrial security practices to cope with Soviet Bloc intelligence threat not just to our companies, but to U.S. subsidiaries abroad.